RESPONSES BY THE GAS COMPANY, LLC
TO INFORMATION REQUESTS BY
LIFE OF THE LAND

LOL-SOP-IR-51 (a) Should small DG that serve two or more contiguous properties be permitted?

(b) Would DG that is grid-connected, and thus can provide emergency power to the grid, have higher value and/or benefit to the electric utility?

TGC Response: (a) In *In re Maui Electric Company, Ltd.*, Docket No. 6514, D&O 10517, filed February 5, 1990, the Commission considered this issue in connection with four Maui Pineapple Company, Ltd. diesel generators located at a pineapple cannery adjacent to Kaahumanu Shopping Center that was owned by the cannery's parent, Maui Land & Pineapple Company (MLPCO) and used to furnish power to the cannery and the shopping center. The Commission described the issue as follows: whether either the cannery, in supplying power to the shopping center, or MLPCO, in reselling power (whether by itself or through the shopping center), is a public utility within the meaning of HRS 269-1. The Commission held that neither was a public utility under the following facts: The line between the cannery and the shopping center was entirely on private property. The shopping center had 65 tenants, of which 58 received cannery-generated power. Two tenants (Kaahumanu Office Building and a Foodland, located in

independent buildings separate from the main shopping mall) received electrical service from MECO. The 58 tenants receiving cannery-produced power were individually metered and billed for the power in proportion to their respective consumptions. The price for the cannery-generated power was at or below MECO's rates. The cannery did not intend to sell to members of the public outside the cannery itself and the adjacent mall. In finding that neither entity was a public utility, the Commission cited the ruling of the Hawaii Supreme Court in In re Wind Power Pacific Investors-III, 67 Haw. 342, 686 P.2d 831 (1984), and 73B C.J.S. Public Utilities § 2 (whether a particular enterprise is a "public utility" depends on whether the service is of a public character and of public consequence and concern, whether the owner has dedicated his business and property to public use, whether the person holds himself out, expressly or impliedly, as engaged in the business of supply his product or service to the public as a class, or to any limited portion of it, as contradistinguished from holding himself out as serving or ready to serve only particular individuals).

With respect to IPPs, in Hawaii Electric Light Company, Inc., Docket No. 98-0013, D&O 17077, filed July 14, 1999, Encogen sought a declaratory ruling from the Commission as to whether, if its combined cycle cogeneration facility lost its PURPA

qualifying status due to simple cycle operation, it would be deemed a "public utility" under HRS § 269-1. At pages 24 & 25 the Commission found that it would not, citing the cases above.

With respect to renewable DG, HRS § 269-1 provides that "public utility" shall not include any person who controls, operates or manages plants or facilities for production, transmission, or furnishing of power primarily or entirely from nonfossil fuel sources, and/or provides, sells, or transmits all of that power, except such power as is used in its own internal operations, directly to a public utility for transmission to the public. Therefore, a Hawaii renewable generator is not a public utility whether it sells its excess output to the utility or wheels it to numerous individual customers.

(b) Please see TGC's response to HREA-TGC-IR-1.

LOL-SOP-IR-52 (a) What is the usage level, and the capacity level, of The Gas Company's SNG (a) generator(s); (b) pipeline networks; and (c) truck deliveries? Please include answers for each island?

(b) Without adding capacity to the generation systems or transmission systems, how much electrical power can be produced (MW) and, how much heat can be produced (measured in the amount of electrical MW that would be needed by a non-CHP generator to produce that heat)?

TGC Response: (a) The following responses pertain only to Oahu, where TGC's only SNG system is located. TGC also has various LPG utility distribution systems on Oahu, Hawaii, Maui, Kauai and Molokai, and non-utility LPG user-sited tank customers on the same islands plus Lanai. These "systems" have a variety of usage levels, and capacities, which are limited primarily based on the number of truck deliveries that can be made.

1) TGC's SNG Plant produces an average of 78,000 therms per day and has the capacity to produce 120,000 therms per day.

2) The SNG pipeline network has a current average throughput of 78,000 therms per day. In general the SNG pipeline has sufficient capacity to handle the capacity of the SNG Plant, however, the load that can be served at any

given spot will vary substantially depending on where it is located on the pipeline network.

3) TGC does not utilize trucks for SNG deliveries.

(b) The amount of electrical power and heat that can theoretically be produced utilizing the entire gas production capacity of the SNG plant is highly dependent on the efficiency of the generating equipment used. Assuming electric generation equipment efficiency of 35%, and SNG Plant production capacity of 120,000 therms/day, approximately 1,231,000 kWh per day can be generated. Assuming gas boiler efficiency of 75% and electric boiler efficiency of 95%, 2,776,578 kWh per day of electricity would be required by a “non-CHP generator” to produce the equivalent heat produced by gas boilers utilizing the entire gas production capacity of the SNG Plant.

LOL-SOP-IR-53 Does The Gas Company support wheeling?

TGC Response: In principle, The Gas Company supports the availability to all consumers of electricity of an option to wheel electricity across the wires of an electric utility.

Importantly, however, The Gas Company does not support resolution in Docket No. 03-0371 of the many complex issues involved in wheeling in general, or intragovernmental wheeling in particular, as proposed (in SCR 180 SD1 HD1). We believe that unbundling electric utility rates and the design of separate rates for generation, transmission, distribution, and ancillary services to facilitate wheeling, are beyond the scope of this proceeding.

LOL-SOP-IR-54 What is The Gas Company guesstimate regarding the heat load of each island that could be provided by through CHP.

TGC Response: The Company has reviewed the amount of gas sold to the market segments that would seem to benefit from a CHP installation and estimates the amount of gas used to heat water to represent between 20 to 30 percent of its utility gas sales. In addition to displacing hot water produced using utility gas, CHP can displace thermal energy used to provide cooling and other fuels used to heat water such as diesel and electricity. TGC does not have the necessary data to estimate the heat load that can be served by CHP for cooling and that produced using these other fuels.